

### UNFAIR COMPETITION MEASURE HEADED FOR NOVEMBER BALLOT

[“Californians to Stop Shakedown Lawsuits,”](#) the industry-backed group formed to place an initiative to make sweeping changes to California’s Unfair Competition Law (B&P Code §§17200 *et seq.*), announced last week that it had submitted over 650,000 signatures to county election officials. Given that only 373, 816 valid signatures are required, it is virtually certain that the initiative measure will appear on the November ballot.

The principal provision of the initiative would eliminate the provision of existing law that permits attorneys to file lawsuits on behalf of the general public without the need of a named, injured plaintiff. Initiative supporters say lawyers use the UCL to leverage settlements out of businesses based on minor infractions that don’t really hurt anyone. Opponents contend that the law is an essential consumer protection tool, making possible preemptive strikes against obviously dangerous actions and conditions before anyone is actually injured.

Initiative proponents elected to file the signatures after negotiations between one of their principal supporters, the [California Motor Car Dealers Association](#), and the [Consumer Attorneys of California](#) failed to achieve an acceptable compromise. The meetings between the two groups were organized by Senate Judiciary Committee Chair [Martha Escutia](#) (D-Whittier). The motor car dealers reportedly have contributed most of the approximately \$6 million raised so far by initiative supporters to support the campaign. The Consumer Attorneys are expected to spend heavily in opposition to the ballot measure.

The sponsoring coalition elected last year to seek changes in the UCL via the initiative process, after numerous legislative measures to overhaul the act were defeated in the Legislature in the face of opposition from the Consumer Attorneys and other consumer groups. Two similar measures have been introduced this year, [AB 2369](#) (Correa) and [AB 2604](#) (Pacheco).

### WORKERS’ COMP REFORM

The comprehensive workers’ compensation reform package approved on Friday by the Legislature will implement approximately 30 substantive changes to the state’s workers’ comp system. Conspicuous by its absence is any form of insurance rate regulation,

something Governor Schwarzenegger and Republican lawmakers vigorously opposed throughout the lengthy negotiations.

According to the Governor’s press office, he plans to sign the historic legislation, [SB 899](#) by Senator [Charles Poochigian](#) (R-Fresno) at a ceremony in Long Beach on Monday.

The bill’s contents are far too extensive to detail within this update but among its major provisions are the following:

- Provides for the use of the American Medical Association Guides in describing physical injuries and estimating the impairment as a result of such injuries;
- Requires the administrative director of the Division of Workers’ Compensation (DWC) to formulate an adjusted rating schedule based on empirical studies;
- Provides for immediate authorized medical treatment to all workers filing claim forms for an occupational injury;
- Revises the procedure for obtaining a qualified medical evaluation;
- Requires physicians evaluating permanent disability to assess the percentage of disability that is due to a work-related injury;
- Provides that an employer is liable only for that portion of a disability directly caused by a work-related injury and restricts the accumulated percentage of disability for any body region to 100% over an individual’s lifetime;
- Limits most temporary disability payments to 104 weeks;
- Decreases the number of weeks of permanent disability for cases of less than 15% disability but increases the number of payment weeks for cases where the disability is above 70%;
- Restores user funding and specifies funding source for a return-to-work program.

### DEADLINES UPCOMING

- [April 23](#) -- Last day for policy committees to hear and report Fiscal Committees fiscal bills introduced in their house.
- [May 7](#) -- Last day for policy committees to hear and report non-fiscal bills introduced in their house to floor.
- [May 14](#) -- Last day for policy committees to meet prior to June 1.
- [May 21](#) -- Last day for Fiscal Committees to hear and report to the Floor bills introduced in their house.
- [May 28](#) -- Last day for bills to be passed out of the house of origin.